From: Dennis Carney/R3/USEPA/US

**Sent:** 8/22/2012 8:21:57 AM

To: KarenD Johnson/R3/USEPA/US@EPA

CC:

Subject: Fw: Scranton Times-Tribune (8-22) DEP allows Cabot to resume fracking in Dimock, leaves drilling on hold

Karen, fyi...... didn't see your name on the distribution...... knew you'd be interested. dennis.

---- Forwarded by Dennis Carney/R3/USEPA/US on 08/22/2012 08:20 AM -----

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Date: 08/22/2012 07:39 AM

Subject: Scranton Times-Tribune (8-22) DEP allows Cabot to resume fracking in Dimock, leaves drilling on hold

## DEP allows Cabot to resume fracking in Dimock, leaves drilling on hold

By Laura Legere (Staff Writer) Published: August 22, 2012

The state Department of Environmental Protection has granted Cabot Oil and Gas Corp. permission to resume hydraulic fracturing in an area of Dimock Twp. nearly  $2\frac{1}{2}$  years after methane contamination prompted regulators to shut down the natural gas driller's operations there.

Cabot's drilling remains on hold in the 9-square-mile area, but the state on Tuesday permitted the company to hydraulically fracture - or frack - seven wells that were drilled at the time of an April 2010 enforcement order that halted the work.

Hydraulic fracturing, the process of injecting chemically treated water and sand underground at high pressure to release gas trapped in rocks, is necessary for Marcellus Shale wells to produce marketable quantities of gas.

DEP curbed Cabot's operations in the Susquehanna County township after it found that faulty Cabot wells allowed methane to seep into 18 Dimock drinking water wells.

Cabot denies that it caused the contamination but it agreed to a \$4.6 million settlement with the state in December 2010 that required the driller to fix leaking or overpressured wells and stop the gas from tainting aquifers.

Cabot tested or patched dozens of Dimock wells, but DEP told the company in May 2011 that flaws appeared to persist in 22 of 43 of the company's gas wells, including two wells that were never fracked, the Ely 1H and

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Kelly 1H, that needed additional tests to prove they were structurally sound.

Three more tests on the wells have since shown that any gas between the cemented strings of steel casing is now below pressure limits set by state regulations and is not escaping from the wellbore, Scott Perry, DEP's deputy secretary for oil and gas management, wrote to Cabot on Tuesday.

The company must perform and report pressure tests on both wells within 60 days of fracking them, Mr. Perry wrote.

The state's action on Tuesday lifts the second of three limits put on Cabot's operations until it fulfills the settlement terms.

In October, the department allowed Cabot to stop delivering fresh water to affected residents because the company had offered the families twice the assessed value of their properties and methane removal systems for their homes - obligations that were outlined in the agreement.

A last hurdle remains. Cabot will not be allowed to resume drilling until regular water sampling proves that the source of the methane has been eliminated or that the gas in the aquifer has returned to background levels.

A Cabot spokesman said on Tuesday that the company worked cooperatively with the state to reach this point and is "pleased with the DEP's decision," which he said "confirms that these wells are in compliance with all applicable environmental laws."

Jim Grimsley, a Dimock resident and Cabot leaseholder who has property in a gas production unit tied to the Kelly 1H well, said the move is a step forward after a contentious period that he said left landowners feeling punished and unfairly gave his town a bad name.

"I will be glad to see that over with," he said. "I would like to be able to say to people, yes, I live in Dimock. It's a great place."

The action was no consolation for residents who say they are still dealing with harm from Cabot's operations.

Scott Ely, whose house is near the Ely 1H well, is continuing with a lawsuit against Cabot alleging damage to his family's health and property. Several of his neighbors have signed settlement agreements in the suit.

"My methane level hasn't changed," he said, adding that the pH of his water keeps rising and is now "close to Drano."

He is concerned that the same well-construction flaws that first caused the methane migration might exist in the wells that were never fracked.

"Are we going to see more problems? Are we going to see higher methane readings?" he asked. "We're just going to hope and pray that everything works out OK."

Contact the writer: llegere@timesshamrock.com

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